

IN SEARCH OF TERRE HAUTE'S PAST

# When the canal was king

One overcast afternoon in May 1986, William Giffin drove to the western edge of Terre Haute, near the city's birthplace by the Wabash River, in search of the city's forgotten lifeline.

Giffin, an Indiana State University history professor, reined his car to a walk as he studied an unwieldy copy of an 1854 city map, its edges curling so much that he pulled the car off to the side as he compared the map with the streets around him.

That was when he realized that Eagle Street, where he sat near its intersection with Water Street, sloped down in the middle, and that 132 years ago, he would have been sitting smack in the middle of a turnaround basin of the Wabash and Erie Canal, with its cast iron slide gate where water passed through and its tumble fall of about six feet from which excess water ran down to the river.

The past fell into place with the present, for it was here that the canal hugged the Wabash, headed northeast toward a massive canal boat dry dock and made its move onto the ISU campus.

From that moment on, the wide ISU sidewalk north of Cunningham Memorial Library would never appear the same to Giffin. Whenever he saw that sidewalk, he would know that concrete had replaced water, and when it was water, Terre Haute was another world.

In the world of 150 years ago, an army of men was sweating its way from the north toward Terre Haute, through marshlands and empty land adjoining the river, removing trees and digging and shoveling the dirt into carts as workers carved a channel 40 feet wide and four feet deep. That channel, water-filled and ready to go, opened in Terre Haute on Oct. 25, 1849.

Today, all kinds of people track the bends and straightaways of the Wabash and Erie, at 468 miles the longest canal in the United States and at times a downright elusive quarry.

For them, it's cause for elation when the past becomes tangible, whether it be a dip in the road or the earth, a slash of still water interrupted by trees or an orderly row of hand-hewn logs at the bottom of a stream reached only by a long walk across a lumpy field.

And no matter if the sun is blazing down and the brilliant blue of the sky is simmering in its own high-summer humidity, the thrill of discovery and the quiet awe that follows makes all the effort worthwhile.

"That's what's so amazing," Giffin said, glancing again at the ISU sidewalk. "It's built right on the canal bed."

Community Affairs File

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TERRE HAUTE, INDIANA

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# 1832-1876: The life and times of the Wabash and Erie Canal

## NO WATER, SO COVINGTON TAKES THE FIGHT TO ATTICA

The canal was dug up to Covington by 1846, but because the water had already drained out at Attica - due to the gravel in the soil - townspeople were faced with a dry bed. Several concluded that Attica was holding the water behind its lock. About 300 Covington men headed up the towpath armed with rifles, shotguns, pistols and an old cannon. Atticans fought back, reinforced by boatmen. Half a dozen combatants were knocked into the canal, among them U.S. Sen. Edward A. Hannegan. The lock gates were opened, but straw stopped the flow of water. Exhaustion brought the battle to a draw, and within a year, water had reached Covington.

## THE CANAL THROUGH TERRE HAUTE



## THE CANAL IN ITS ENTIRETY

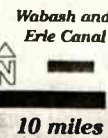


## VANDALS AT WORK

Between Saline City and Cory lay the enormous Birch Creek Reservoir, which along with the nearby Splunge Creek Reservoir fed the canal as it passed through the county. In May 1855, residents who believed that wood in the stagnant water caused disease decided to empty the reservoir, disrupting summer navigation. The cutting of the reservoir in broad daylight by a group of men 100 strong prompted a weeklong stay of a company of militia. And while nothing happened while the soldiers were present, as soon as they left, the vandalism continued.

## POINT COMMERCE: HELLO, GOODBYE

This town grew with the rise of the Wabash and Erie Canal and was only 111 miles from Evansville, the canal's terminus. Point Commerce was also known as "White Town" for the houses and other buildings and fences were kept white washed. In 1851, a cholera outbreak killed an estimated one-fourth of the population of 500. Later, as Worthington grew, Point Commerce declined, and the fact that a lock was planned on the White River at Newberry but never constructed cut off the possibility of steamboat trade, and the town faded from existence.



## LIFE ON THE WABASH AND ERIE CANAL



Painting by Omer Seamon

Source: Bill and Berky Davis, Stan Schmitt, "Indiana Canals" by Paul Fatout, "The Rise and Fall of Point Commerce" by Judy Fougerousse

2. 08/12



# Old Wabash-Erie Canal Beauty Spots Studied As Park

PAINT FILE

2



Paul Schmidt and Daniel W. Snapp have relocated and marked the Evansville route of the Wabash-Erie Canal. The site of the present Vanderburgh County Court House was a canal basin depot.

(Continued from First Page.)

Beside them. The dish-shaped passenger boats and flatboat freight packets of the bygone era again may float on the canal's waters, pulled back and forth by tow-path mules as a new spectacle for the lively interest of school children, in scenic areas desirable for outings and picnics.

## Pfke, Warrick Interested.

The possibilities have interested several conservation clubs, chiefly in Pike and Warrick Counties. All along the canal route civic organizations are studying the plan. Historical groups in Winslow, Petersburg and Boonville are lending their support to efforts which may revive the canal depots as roadside parks and lakes—with a host of Erie Canal songs.

Through the work of the Indiana Historical Bureau, markers identifying the path of the canal are being erected State-wide. In Evansville, canal boats docked and unloaded their cargoes of salt and fineries on the present site of the Vanderburgh County Court House. Investigations by a committee of nine, headed by Paul H. Schmidt and Daniel W. Snapp for the

Evansville Society of Fine Arts and History, have rediscovered the waterway's course over which the city has been built.

Similar research has been going on all over the State, with investigators locating "the old Erie" only through the findings of excavators. Parts of canal boats, thick planks and pilings have been dug up to establish the route.

In Warrick County a rare sight is a 75-year-old covered bridge at Millersburg which spans the original plank-bedded banks of the canal that has since become a part of Pigeon Creek. Today the bridge is a summer rendezvous for spooners and the stream the haunt of fishermen.

When the canal was closed in 1863 the bridge was built shortly afterward in the hope of keeping the town of Millersburg alive. Clustered around a grist mill, the settlement had flourished since 1817, but failed to survive its loss of popularity as a canal center.

Hoosier statistics reveal that it had shared in the shipment of 2,775,149 bushels of Indiana corn, 1,639,744 bushels of wheat, and 247,677 barrels of flour, sent east over the canal in 1851, and in diminishing amounts until the War Between the States. The canal's chief contribution was water power for home industries—flour, lumber, wool and oil mills that sought new locations when the march of the railroad's tracks favored other areas.

## Talk Millersburg Restoration.

Warrick County leaders are viewing the Millersburg site's quaint appeal of covered bridge and canal depot as a location worthy of its former elegance. They talk of restoring it as one of several historic Warrick County locales whose attractions will contribute county-seat growth and trade benefits to Boonville.

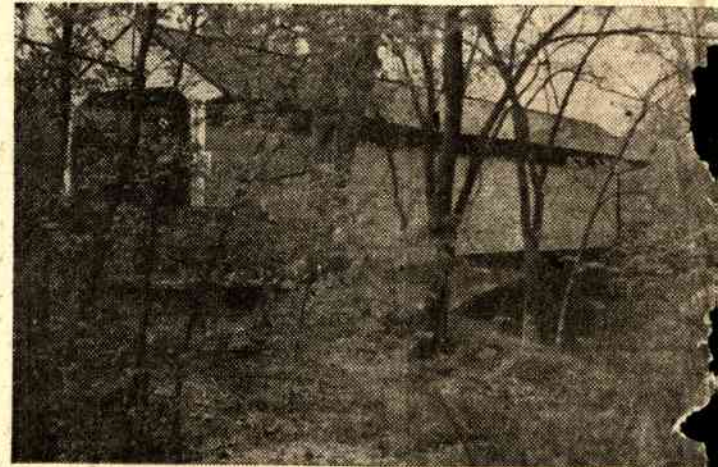
Recently W.P.A. writers gathered the history of the Wabash-Erie Canal's construction, first from Ft. Wayne to Terre Haute. Halted by the panic of 1837, though the Indiana General Assembly of the previous year had granted further funds, actual digging did not get under way from Terre Haute to Evansville until 1839.

"Men working on the canal in gangs of forty, under a different contractor for every mile, had little respect for the rules of sanitation and were subject to many diseases. In the summer of 1850 more than 1,000 men died of cholera while employed on the job from Patoka to Pigeon Summits in Gibson County. A stricken person would succumb within three or four hours, old records revealed.

## Nearly All Irish.

"The dirt shovelers were nearly all Irishmen, who demanded gusty draughts of raw whisky while working. The rule was a half gill four times daily," the Historical Bureau informs.

"From Terre Haute in a southeasterly direction to Warrington, Greene County, the canal led to Newberry, then across Daviess County to Petersburg, Pike County. Over an aqueduct at



Covered bridge over the old Wabash-Erie Canal, looking west at Millersburg.

the old town of Dongola, it crossed the Patoka River to Francis in Gibson County, turned southeast into Warrick County over the lowlands of Pigeon Creek. Seven locks every ten miles dropped the waters fifty-one feet from Pike County through Millersburg and Chandler to Evansville.

"During the winter months the canal would be wholly partly frozen over," the W.P.A. historians state. "Spring brought freshets which washed out aqueducts and caused cave-ins on bluffs and sandhills. The banks of reservoirs were cut by persistent antagonistic to the canal. They maintained that the large 'standing pools' were unhealthy. In the Petersburg district during 1858 navigation was suspended 113 days due to breaks, high waters and ice. Evansville began to fill up the canal at street crossings in 1865."

Less than five years after the canal's completion, railroad competition north and south and Ohio River competition east and west had terminated the waterway's usefulness, though some sections it lingered in operation until 1874 when the Aladdin of prosperity was utterly abandoned from Toledo to Evansville.

Now the day of the river and railroads are as beset by troubles from the new dominance of motor transport as the canal was made for the canal, when the faster pace of the river packed the unbelievable speed of the iron horse shattered the hopes of the picturesque Wabash-Erie Canal.

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Wabash + Erie Canal



**CANAL FILLED AGAIN**—The ancient canal at the Elks' Fort Harrison Country Club that once carried freight barges to the city was filled again during the recent Wabash river flood. James Conover Photo.

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The following information was found on an index card found in the Archives in July 2005:

Information about the Riley locks of  
the Wabash and Erie Canal  
(from Marie Fox, acquired in 1978)

When Robert Lemon, a Wiley teacher, was working with the Junior Historical Society doing research on the locks (north of Riley, Indiana) of the Wabash and Erie Canal.

I talked to George G. Jackson (1884-1980) of Riley Indiana. He said the rock to make the Riley locks came from Greencastle, Indiana. Some of them were moved about 1928 to the Old Hill Bridge (on Eel River in Clay County, Indiana) to make a lock to let the water out of the reservoir.

From Marie Fox (information acquired in 1978)  
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water out of the Reservoir



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Community Affairs File

Wabash and Erie Canal

PAMPHLET FILE

THE ROSE TECHNIC.

179



## A PASSING LANDMARK—THE WABASH AND ERIE CANAL.

By F. H. CASH, JR., '07,

ONE of the most expensive, and at the same time, least useful outlays of money in the history of the State of Indiana was the construction of the Wabash & Erie Canal. This canal was constructed in order to furnish a means of transportation from the navigable waters of Lake Erie to the Ohio river, and also to enable the productions of one of the richest portions of the United States—the Wabash valley—to be readily marketed. This was early recognized by the people of the United States as a necessity, and in the early twenties we find the Hon. Thos. H. Blake introducing in the State Legislature a measure advocating the building of some such waterway.

In 1825 Gov. Ray made mention of the need of, and a noteworthy plea for some sort of internal improvement system, which eventually led to the passage of the famous bill authorizing the Internal Improvement System in 1836. In 1827 Congress granted to the State the right-of-way and a large quantity of land, equal to five sections in length for each mile, to aid in building a canal to extend from the Maumee river, which furnished an outlet into Lake Erie, to some point of the lower Wabash where that stream would be navigable on south, or else on directly to Evansville.

By act of 1838 Indiana accepted the grant—a portion of which she surrendered to Ohio on condition that she (Ohio) would construct a waterway from the east boundary of Indiana to the lake—and the work of constructing what was to

become eventually the longest canal in the United States and second only to the Chinese canal, in the world, was begun.

Under the administration of Gov. Noble, surveys were made, contracts let, and in 1832 the contract was let for the construction of 32 miles of the work. During the years '33, '34 and '35 the work was pushed with great energy, although a variety of ways and several enactments by the State Legislature were resorted to in order to raise money for the project. By the year 1837 the canal had been completed as far as Lafayette, which had since been chosen for the western terminus of the first division instead of the mouth of the Tippecanoe river, which was first chosen, and placed in operation.

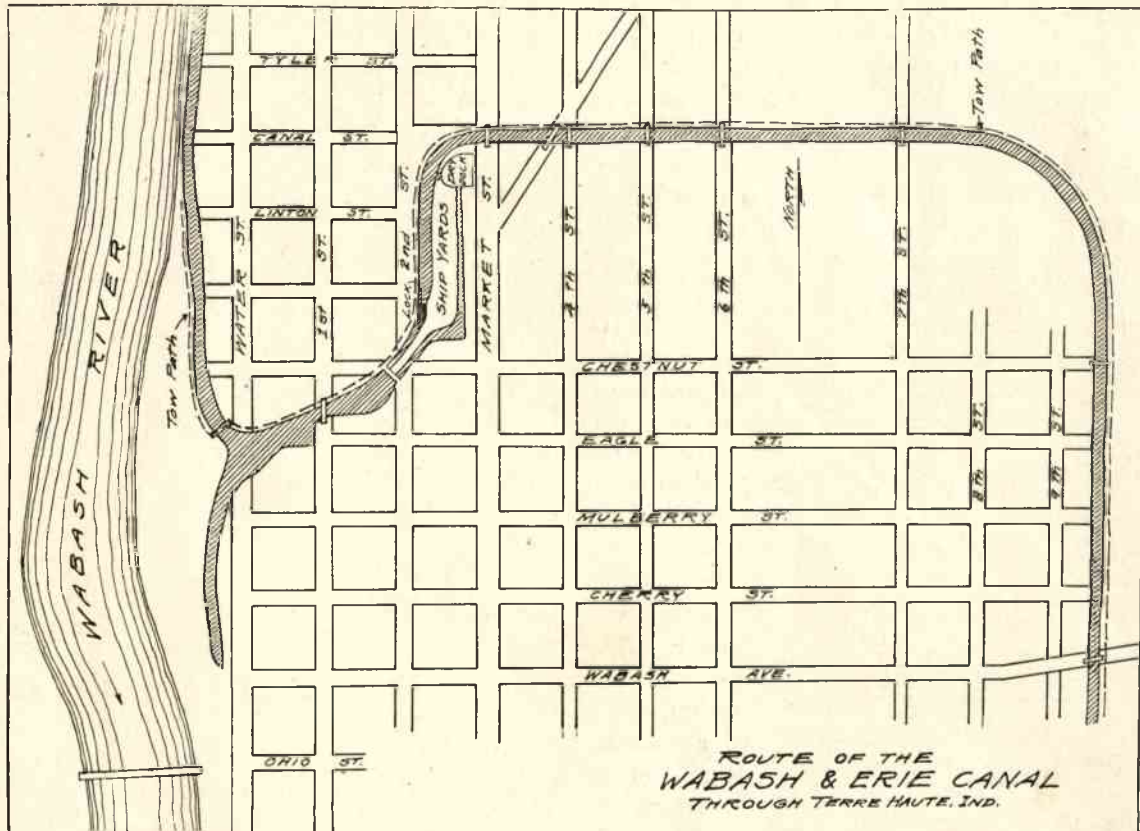
In 1836 the Internal Improvement System was authorized by the State Legislature, and among other numerous improvements, provided for the completion of the canal from Lafayette on down the Wabash Valley to Terre Haute, and thence by a route surveyed along Eel river (to be known as the Cross-cut canal) and to connect with the Central canal which reached the Ohio at Evansville.

The panic of 1837, however, put an end to these enterprises and finally resulted in the surrender of the canal and accessory grants to the bondholders in 1847 in the following manner: For about five or six years Indiana had been unable to pay the interest on her unusually large public debt, which had been created by the Internal Improvement System. She could easily

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TERRE HAUTE, INDIANA

have repudiated the debt, as did many of her Eastern sisters, but her Legislature held firmly against this plan of action as being dishonorable, and as it was practically impossible to increase the tax while the country was in the condition prevailing at that time, they insisted that the creditors must wait for better times.

Government grants of land alone for the other half of the indebtedness—such of the creditors as should contribute to the \$800,000 to have preferred stock with the privilege on the part of the State after twenty years to take back the canal upon the payment of the moiety of the indebtedness for which it was held, or such part of it as



The creditors—the majority of whom were Englishmen—finally tired of waiting, and in 1845-6, through Chas. Butler, of New York, as their representative, made to the State the following proposition :

The State was to pay one-half her debt and interest and turn over the canal extending from the Ohio state line to Evansville to a board of trustees under whose supervision the canal was to be completed, to aid in accomplishing which the creditors were to advance \$800,000 and were to look to the canal, its tolls and revenues and the

should remain unpaid by its tolls, water rents and the unsold lands donated by the General Government. By legislation in 1846-47 this proposition was accepted and plans for finishing the canal were placed in operation, Chas. Butler of New York, and Thos. H. Blake of Indiana being appointed by the creditors and Nathan B. Palmer by the State Legislature to act as the Board of Trustees. Under the leadership of Wm. J. Ball, who was retained as Chief Engineer, the work of completing the canal was begun, and in 1853 the whole line was opened up to Evansville.



The Wabash & Erie Canal as completed was 467 miles long and over 100 miles longer than the famous Erie Canal. It connects the Maumee river at Toledo with the Ohio river at Evansville, having 67 miles of its course in Ohio and 374 miles in Indiana. Among the chief places through which it passed are Fort Wayne, Huntington, Wabash, Penn, Logansport, Delphi, Lafayette, Attica, Williamsport, Covington, Montgomery, Terre Haute, Worthington, Bloomfield and Petersburg. The canal was 40 feet in width at surface, 26 feet in width at bottom and for the most part about 4 feet deep. The right-of-way varied from 90 to 100 feet. The canal contained 64 locks, the average size of which was 90 feet long, 15 feet wide and which provided for a total rise and fall of 505 feet.

Its route through the city of Terre Haute is shown in the accompanying sketch, which is a reproduction of one of the oldest existing maps of Terre Haute, having been made in the year 1854. One of the original intentions of the builders was to run the canal into the Wabash river just below the bridge, shown in the cut at Ohio street, and the canal was cut down to Main street with that aim in view. However, it was found that the Wabash from Terre Haute on down was not sufficiently navigable to justify making this the terminal point, so the canal was turned at Eagle street, being known as the Cross-cut canal from this point on down, and following a southeasterly direction down through Vigo county parallels Eel river for some distance, then passes on southward to Evansville. The bridges, as shown in the cut at the following streets—Water, First, Second, Third, Fourth, Fifth, Sixth, Seventh, Chestnut, Main and Poplar—were all of the same type, and were small, high wooden bridges of short span. The bridge was placed high enough above tow-path to admit of the passage of the mules used in pulling the boats under the bridge. The bridge at Lafayette avenue was a more pretentious affair, however, having a short revolving draw span. The bridge at Poplar street, being the last one for some considerable distance down, shared the burden of travel with

the one on Main street—which is the State road. An interesting and important feature to Terre Haute was the ship-yard, lock and dry-dock arranged for storage and repair of canal boats. The yards occupied a considerable space, extending from Canal to Chestnut streets and lying between second and Market (Third) streets. The lock was near the junction of Second and Chestnut, was 109 feet long, 16 feet wide, and provided for a rise (or fall) of about 10 feet.

A journey for either pleasure or profit via canal boat was neither sure nor safe. Breaks in the banks occurred not infrequently, and often all traffic was tied up until the break could be located and repaired and the canal refilled, while the character of the country through which the canal passed—low, swampy land—made the contraction of some kinds of fever comparatively easy. Connections were made with various streams of water, also large ponds of water were provided at several places along the canal, for the purpose of keeping up the water supply. The canal bed was given just slope enough to keep the water running very slowly, thus preventing its becoming stagnant. The boats used were, in miniature, practically the same as those used on the lakes and rivers, and were furnished with all the absolute necessities. The motive power was supplied by one, two or three horses or mules, as the case might be, hitched one behind the other, and fairly good time was made—a journey from Terre Haute to Lafayette being made in about 24 hours, and from Terre Haute to Toledo in about 3½ days, for which passage a man paid about forty-five dollars.

The canal required in all about 21 years for completion and was in operation less than ten years. It cost something over six million dollars, and while it brought prosperity to many of the towns through which it passed, Terre Haute in particular, it was far from being a paying investment for the stockholders. Shortly after its completion its course was practically paralysed by railroads and its day of usefulness was nearly over. For some time after its abandonment an effort was made by citizens of Terre Haute to keep



it open as far as Worthington, but was soon given up.

To-day it remains simply a relic of the days of old—its tow-paths are leveled and in many places wagon roads are found thereon, high and dry,

while in some places the canal bed is used in forming part of some modern drainage system—and as such it will continue to stand for years to come, a monument to the ever-increasing strides of progress.



### LAKE GENEVA.

Again it is time to commence thinking of the big college men's conference at Lake Geneva. Here annually in June, gather 500 picked men from the colleges of the Middle West, men who rank among the best athletes, men who stand for the best scholarship and the best social life, and above all, men who stand for the highest type of manhood. From as far north as Manitoba to as far south as Kentucky, from as far west as Colorado to as far east as Ohio, come these 500 college men, with whom to mingle and to know is no small opportunity to any college man. To have mingled with such men is a rare opportunity in a man's education.

Lake Geneva is ninety miles north of Chicago. It is ten miles long, averages two miles across and is one of the most beautiful of the famous lakes of southern Wisconsin. Only one who has been to Geneva can realize the natural beauty of the place. Many beautiful summer homes, belonging to Chicago business men, are built along the shore line.

In this environment, in one of the most favored spots, the camp of the Young Men's Christian Association is located. The camp covers about four acres of ground, consists of about 75 tents and several buildings, is equipped with row and sail boats, tennis courts, running track, baseball diamond, and in fact all facilities for every phase of athletics. The delegates from each state are grouped together, some states having several tents. A store is on the ground where one may

buy almost anything he needs. The dining hall is large, accommodating over 300 at one time. Mail comes in twice every day.

The student conference this year comes on June 14 to 24, just an ideal time for Rose men, ten days following Commencement. It is just the thing to work in between Commencement and your work for the summer. These ten days have just enough seriousness and enough pleasure to make them ideal yet real. Mornings and evenings are given over to Conference sessions and the afternoons to recreation. Every college of importance in the west this side of Rocky Mountains will be represented. No college association can afford to fail to be adequately represented. No man goes but receives an impression that life cannot outlive. Advance programs show that the leaders of the Conference this year are to be especially strong. The presence of the strongest men in the leadership of students has been assured. One cannot estimate the value upon his own life of getting in touch with such men. Investigate this matter at once and decide soon that you will go with the Rose delegation.

At a meeting held on May 10th, THE TECHNIC editorial board elected their successors for the school year 1907-08, as follows:

Editor-in-Chief—Carl B. Andrews.

Assistant Editor—E. M. Brennan.

Reviews—Jas. A. Shepard.

Alumni—Emil J. Fischer.

Athletics—J. E. Bernhardt.

Local, '09—Clarence W. Sproull.

Local, '10—Harry W. Watts.

Artist—R. M. Stubbs.

Business Manager—J. R. Ralston.

Asst. Business Manager—Paul F. Stokes.

In accordance with the usual custom, the newly elected board will have charge of the June issue.





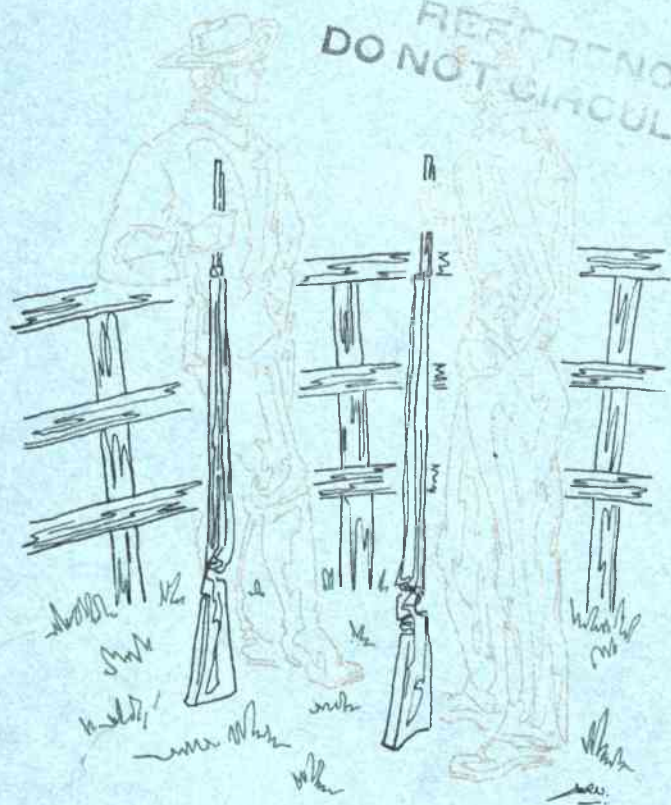


Wabash and Erie Canal

INDIANA ROOM  
PAMPHLET FILE

# THE IRISH WAR

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## THE IRISH WAR

Prepared by the staff of the  
Public Library of Fort Wayne and Allen County  
1953

One of a historical series, this pamphlet is published under the direction of the governing Boards of the Public Library of Fort Wayne and Allen County.

#### BOARD OF TRUSTEES OF THE SCHOOL CITY OF FORT WAYNE

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#### PUBLIC LIBRARY BOARD FOR ALLEN COUNTY

The members of this Board include the members of the Board of Trustees of the School City of Fort Wayne (with the same officers), together with the following citizens chosen from Allen County outside the corporate city of Fort Wayne:

James E. Graham  
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## FOREWORD

Irishmen who had recently immigrated to the United States were the chief source of labor for the construction of the Wabash-Erie Canal. Much strife among the canal workers stemmed from regional antagonisms in their homeland, and personal violence resulted on more than one occasion; the so-called "Irish War" was one such episode.

David Burr, one of the canal commissioners, made the following report on the incident. It was printed as an Indiana state document and is often quoted as authority for statements made about the "Irish War." It is now out-of-print. Because the Boards and staff of the Public Library of Fort Wayne and Allen County consider it valuable source material, it is reprinted here, together with the accompanying letter of transmittal. Grammar, spelling, and punctuation have been changed to conform to current practice.

STATE OF INDIANA  
HOUSE OF REPRESENTATIVES

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December 31, 1835

Read and referred to the Committee on Claims

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Executive Department

Indianapolis, Indiana

December 30, 1835

The Honorable C. B. Smith

Speaker of the House of Representatives

Sir:

I lay before the House of Representatives the particulars, in writing, of the late riots upon the line of the Wabash Canal, which details were furnished at my request by one of the canal commissioners. With this history, I also submit the claims of the commandants, Captains Murray and Tipton, who, at the heads of their companies, repaired to the scene of disorder in support of the civil authority and liberally advanced money and provisions for the service. It will be seen that the laborers along the line in the adjoining counties had assembled in preparation for battle, making Wabash County the theater of their riotous conduct; consequently, that county would seem to be chargeable with the expense of the arrests and the prosecutions which followed. But as the occurrence was one of an unusual kind, grow-



ing out of, and threatening the progress of, the work in which the state is engaged, it is believed the treasury of that county is not justly chargeable with the expense. It is recommended that the commissioners appointed to assess damages to private property or one of the fund commissioners be authorized to examine the different claims and to direct their payment, so far as would be right, out of the canal fund.

Respectfully,

Noah Noble

Indianapolis, Indiana

December 30, 1835

The Honorable Noah Noble

Governor of Indiana

Dear Sir:

In conformity with your request in relation to the disturbance amongst the Irish laborers on the Canal, it is proper to state that many persons of the two parties into which they are unfortunately divided, "Corkonians and Fardowns," had been engaged in those bloody affrays at Williamsport in Maryland and at the "high rocks on the Pctomac" within the last two years. They had come since September in 1834 to the Wabash and Erie Canal with, as it is said, many of their leaders. Of course, they had brought their animosities with them. And from that time up to the twelfth of July last, when the general riot took place, they manifested their ill will to each other by merciless beatings on such persons of each party as chanced to fall in the power of the other.

On a considerable portion of the line there was no justice of the peace in these newly organized counties. As these frays were confined to the Irish alone, and to the least worthy amongst them, not much effort was made, and perhaps could not have been made, by the civil authority to suppress them. This exasperating course of hostilities increased until it became unsafe for the Irish to travel from one part of the line to the other without great precautions for their safety. Events proceeded to such an





extent that they were mutually afraid that each party would have its cabins burnt and the inmates slain in the night.

Because of mutual fears and for safety the laborers had so hired out to the contractors that they had about equally divided the line between the parties; the Corkmen worked on the upper part, and the Fardowns on the lower part of the line. The beatings of such persons who were caught away from their friends increased to such a degree, and the parties became so exasperated, that about the first of July a determination became general that one or the other should leave the line. The worthless amongst them, by carrying threats of burnings and murders which were to be committed by falling on the defenseless in the night, so excited their fears that they left their houses and cabins and hid out in the woods without light or fire to betray their hiding places. The whole line, armed in military array, worked generally in the daytime until some idle report would get in circulation that one party was marching to fight the other. Then they would leave their work and hasten with great rapidity to the supposed point of danger.

From the fourth to the tenth of July, these alarms were constant and were aggravated by the threats and outrages of the worthless. The length of line occupied by these belligerent parties was nearly fifty miles. On the tenth of July the parties hastily collected; or rather, they left their work and commenced a march towards the center of the line for a general battle.

Two days before this, I reached that part of the line, heard there was to be a turnout, but supposed it only rumor without foundation. I saw several persons and tried to convince them that no such thing would take place





On the tenth, however, one of the engineers reported that all the workmen on the lower end of the line were armed and were marching to the reputed battlefield. I met them about half a mile from my residence. They were in very orderly array and well armed; not a noisy or a drunken man was amongst them. They were forced, so they considered, to fight in order to protect themselves and to avoid being slain and to keep their property from being burned at night. They stated that the civil authority did not, or could not, protect them; that their families could not stay in their shanties but had to sleep in the woods; and that they had no resource left but a battle. They further stated that the weaker party should leave the line; that they wished to work and remain peaceable but could not; and that they would rather fight fairly in open day than be subject to these depredations at night. With the assurance that order would be restored and that I would negotiate a suspension of hostilities with the other party, I prevailed on them to wait until I could see their belligerent friends.

I then went to the reputed battlefield with three or four persons whom I supposed had influence with them. I found them fully prepared, well disposed in a strong military position, and exceedingly exasperated; and I had some difficulty in saving those who went with me from being killed. They expressed the same fears as the others but, after some persuasion, consented to appoint persons to agree on terms of peace with the Fardowns. They also agreed to suspend hostile operations until the result of the meetings between the persons deputed to negotiate the peace could be known.

In the meantime, the citizens at Huntington had become exceedingly



alarmed at seeing this hostile array; three or four hundred armed men on each side had the avowed intention of meeting in battle; the civil authority was completely powerless. Fearing their persons and property would not be safe, they sent to Fort Wayne for aid of the militia. A company immediately was collected and in a few hours was sent to their relief. Meanwhile, the citizens of Huntington had collected and organized a company also.

By this time, the citizens of Lagro became alarmed; they sent to Huntington for the troops to come and protect them and aid the civil authority. As soon as I learned that the militia had turned out from sixty to one hundred in number, I thought the force altogether too small to do any good against seven or eight hundred armed men. Therefore, I sent to Logansport and requested assistance, which was promptly rendered. The militia at Lagro, at my request, marched to Miamisport and met the two volunteer companies from Logansport; and all marched back to Lagro.

Two magistrates, an associate judge, the sheriffs of Huntington and Wabash counties, and the militia arrested and committed eight of the ring-leaders. There was no safe jail on the canal line. Therefore, in order to remove the cause of contention, these men were sent under a strong guard to Indianapolis for safekeeping. Here they were confined until they were liberated by a writ of habeas corpus because of some informality in the proceedings.

There were more than six hundred armed Irishmen, and I am satisfied that no course other than the one pursued would have been sufficient to





restore order. The commissioning of justices of the peace and the organizing of militia companies at Wabash, Lagro, and Huntington have restored, and I trust will preserve, order.

The commissioners, Messrs. Johnson and Lewis, were at Fort Wayne at the time; and I had not the benefit of their advice. As soon as order was restored, the canal board took more decided steps in their regulations. They now require each contractor to dismiss any laborer who may engage in a broil and to give his name to the engineers so that he may not be employed on the line.

The militia turned out on the first moment's warning; many of the men just happened to be in town and marched off without any preparation whatever. They had of necessity to be supplied with money and provisions for their subsistence. These were furnished by many of the contractors and people on the line. Amongst those incurring the greatest expense was Captain Elias Murray, of Huntington; he took command of the temporary garrison at Lagro, assisted the civil authority in making the arrests, and, with his company, marched the prisoners to Indianapolis. He was engaged some three weeks in the service.

Colonel John Spencer, of Fort Wayne, who headed the militia from that city, and General John Tipton, who was active in forwarding the volunteer companies from Logansport, paid a large portion of the expenses. One of the prisoners who had been sent to Indianapolis was arrested on his return to the canal line, was convicted, and was sent to the penitentiary. On his way there he escaped from Mr. Johnson, the sheriff, who offered a

reward of \$100.00 and paid it for his apprehension. Wabash County was also at great expense in sending the prisoners to Indianapolis. Other persons on the line were also at much expense in money and provisions.

This expenditure was absolutely necessary for the preservation of order; it was the means of saving many human lives by preventing at least seven hundred armed and highly exasperated men from fighting a battle. It was also the means of preventing a total suspension of canal work which might have ensued for the greater part of the season since July. It would, therefore, be very desirable indeed if some provision could be made by law to remunerate those persons who have been at so great expense.

Some of the bills for the money expended are in the possession of the Board of Canal Commissioners. But, as they have only a small part, the appointment of some person to hear and examine claims and to authorize payment is respectfully suggested. The selection of a member of the Board of Fund Commissioners, who had no part in these transactions and would therefore constitute an impartial tribunal, is also suggested. As the matter in question grew out of the operations on the Canal, and as the commissioners have the funds in their possession, such an appointment would seem to be suitable.

With great respect,

David Burr



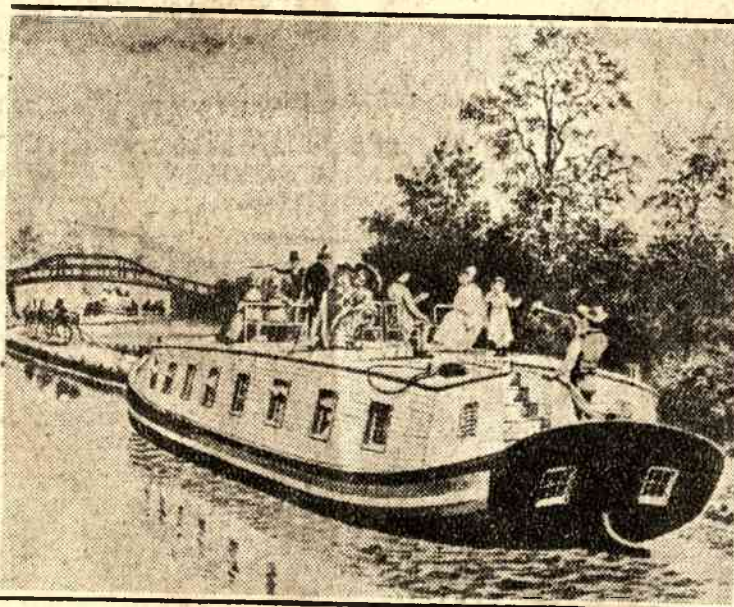
#134

Wabash + Erie Canal

## TERRE HAUTE SUNDAY TRIBUNE AND TERRE HAUTE S

Canal Boats Plowed Lazily  
Through Terre Haute In 1862

Dec. 1, 1940



Travel atop the canal boat cabin on a summer afternoon had its delectable aspects.

By A. R. Markle.

When Terre Haute was founded in 1816, it was almost as isolated as an island in the sea. Accessible almost entirely by water, transportation was largely by the Wabash, the exception being the narrow trail cut by General Harrison on his way to Tippecanoe five years earlier.

Up and down, mostly down, the river went the produce of the vicinity, such as it was, pork, corn and whisky, fruit of the rich virgin soil, which had for years uncounted yielded maize to the rude culture of the Indians. What he raised had little or no surplus, at times there was not enough for himself.

The incoming white man, however, raised corn for himself and more, the surplus producing pork and whisky beyond his own need, though noble efforts were made to consume all of the last.

Only in certain seasons could corn be sent down the river, and the same was true of pork, but whisky in barrels went at all seasons when the water was favorable.

Ten years later a system of so-called roads permitted an uncertain traffic by horse and wagon, stage coach and ox cart to carry farm produce out and merchandise in. Mere trails for the most part, impassable in bad weather to anything but a saddle horse, these roads were the only means of communication except the creeks and rivers of the country.

Another ten years and the beginnings of the National road were nearing Terre Haute but even after its completion, a long and expensive journey brought in the necessities and luxuries from the eastern seaboard. Five weeks on the road and four dollars a hundred pounds for freight made a grievous cost for imports and a prohibitive cost for exports to the east.

Corn could be bought here for fifteen cents a bushel, the freight to New Orleans was fifty cents, while bar iron sold for eight cents a pound here.

#### Success At Start.

The almost immediate success of the Erie canal from Lake Erie to the Hudson river and New York

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In July of that year he had reached Brookville, but eight weeks later, after he completed his preliminary survey and had gone to Fort Wayne to start the survey of the possible Maumee - Wabash route, he died in camp, a victim of malaria.

The federal grant of land to promote a canal from Maumee bay to the Wabash river at the mouth of the Tippecanoe, was conditioned on work being started within five years and on the last day of the period, ground was broken with inspiring ceremonies, fervent oratory and a long round of toasts, within the present limits of Fort Wayne.

Ways and means were still to be provided and still opposition of other communities halted the work for some time. More settled territory, such as the southeastern part of the state, worked to defeat the Wabash and Erie project until their needs were satisfied, but the enactment of the internal improvement act, providing for a canal, turnpike or railroad in almost every county, finally let the work start.

The original plan was to build the Wabash and Erie canal only to the supposed head of navigation on the river at the mouth of the Tippecanoe. A central canal from a point below Wabash was to run through Indianapolis to the White river, but only a small part of it was built. A few miles above Indianapolis and twelve miles below were built and of this only the few miles beginning at Broad Ripple and extending to the city, still exists. All of the other immense work done on the Wabash and Erie and the Central has either disappeared or remains but relics of the past.

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TERRE HAUTE, INDIANA

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The crop reported in the 1840 census for Tippecanoe, Carroll, Clinton, Montgomery, Fountain, White and Warren counties was 500,000 bushels and if half of it was shipped by canal at a gain of 30 cents a bushel, the producers would save \$75,000 a year and the canal

make over half as much in addition.

#### Start Work in Town.

The extension to Terre Haute was completed first and the Cross Cut later. In 1849 the council of Terre Haute called the attention of the citizens to the work soon to commence within the city and that the work would intrude on the old city burying ground and that those who had interments there should arrange for their removal to the new burial ground (Woodlawn).

Many bodies were removed in response to this notice, but it was necessary later to have a committee arrange for the removal of remaining bodies before the work reached here. Despite this effort the contractor later presented a bill for removing remains found in the prosecution of the work. The council cut his claim in half and paid that amount.

Jesse Williams was the chief engineer on the two canals and the resident engineer was his brother-in-law, William J. Ball, father of our own William C. and Spencer F. Ball, long time publishers of the Gazette, and with many other interests in Terre Haute.

Mr. Ball came here on being appointed resident engineer and bought the frame house that stood at the northwest corner of Sixth and Poplar until its removal to Sixth and Park by the father of the Hulman sisters. With the progress of the work on the Cross Cut canal, he removed to Spring hill, almost on the banks of the canal, where he built the splendid mansion he later traded to Colonel R. W. Thompson in exchange for the home the latter had built on Fifth street, south of College, which was for so many years the family home here.

#### Few Traces Left.

Very few signs of the old canal through the city are now to be seen, but traces of it still show. The finest instance of its preservation is at the grounds of the Elks Ft. Harrison club. From there it can be followed by the old tow path to Maple avenue and a short distance farther south. At the Water Works and farther south the river has taken it away, the American Can Company stands across a part of the route and it extended south between Water street and the river, almost to Wabash. At a point a little south of Eagle street, it terminated in the basin, where the excess water escaped into the river over a tumble. Into the basin also fell the flow from the Cross Cut canal.

The latter entered the city along the present right of way of the Milwaukee road, whose freight house stands on the bank of the water way at Crawford street. Continuing its angling way to Ninth and a half and Oak, it swung to the north along what is now little more than an alley way through the grounds of the brewery and north to the Union Depot grounds. It curved there to Eighth and the railroad. The north wall of the Midland bakery stands at an angle to mark its course and west from there to and beyond Third street, the route is marked by the Pennsylvania right-of-way.

Curving to the south, the route

still visible, it entered the final locks, which extended to Chestnut street and supplied the water for the dry docks, where the boats were built and repaired, as well as the water to run the linseed oil mill of James Hook and others.

#### Basin On North Side.

Then running southwest across the present market grounds it emptied into the basin that was surrounded by warehouses and mills.

The first boats from the north reached here in 1849 and traffic was through to Point Commerce and to Evansville, starting on Oct. 5, 1853. All south of Terre Haute was abandoned in 1862 and traffic ceased altogether in 1873, due to competition, lack of water and increasing costs.

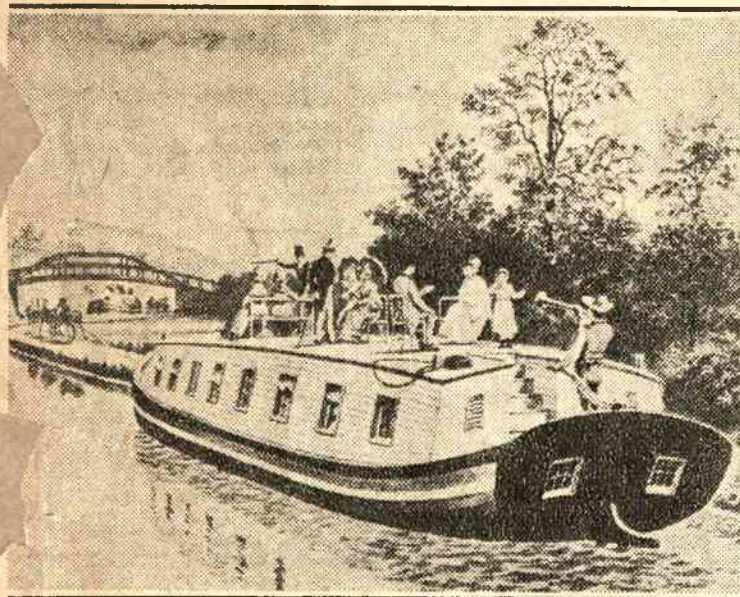
Altogether the entire venture had cost the state, the bondholders and the operating trustees eight and a quarter millions, had produced income of but five and a half millions and a net loss was evident of two and three-quarter million dollars. Against these figures we can place a saving in transportation costs, increased costs of exports and decreased cost of imports far greater and an increase in population and value much greater.



# TERRE HAUTE SUNDAY TRIBUNE AND

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W. Star



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# Old Wabash-Erie Canal's Beauty Spots Studied As Possible Recreation Grounds

By MONTE M. KATTERJOHN.

Proposals to recreate the Aladdin glory once contributed to the Middle West by the travel-lustre of the Wabash-Erie Canal, built in the midst of the hard times of 100 years ago, but long abandoned except as a floundering ditch, are being heard in half a dozen counties of Southwestern Indiana.

There, outdoor lovers are thinking of the excavation in terms of picturesque history, recreation seekers and wood-smoke that pays its way.

In 1839 many future roadside parks were being gouged out of the earth by 10,000 canal laborers, though statesmen of the times were acclaiming the project as Indiana's future outlet to the Atlantic seaboard. Some also hailed it as the Gateway to the Old Northwest. The earlier Erie Canal already had linked the Great Lakes to New York City commerce, 1825, and the Hoosier State was aflame with canal fever. Seeking quick prosperity, builders and politicians rushed "the great canal" at any cost.

## Becomes "Colossal Failure."

For almost a decade its fleet of fat-bellied boats challenged the supremacy of the overland stagecoach, the river steamboats

and the iron horse. Ultimately the canal turned out to be "the most colossal failure in the history of American transportation." And in the seventies when Indiana paid off its bonded canal debt every man, woman and child in the State had been pinched \$20 for a filled-up ditch.

Today's renewed enthusiasm for the 469 miles of waterways that once linked Toledo, Ohio, on Lake Erie, with Evansville, Ind., on the Ohio River, may shortly fulfill the dream of the pioneer builders by prospering many of the localities in the ten counties south from Terre Haute through which it cut.

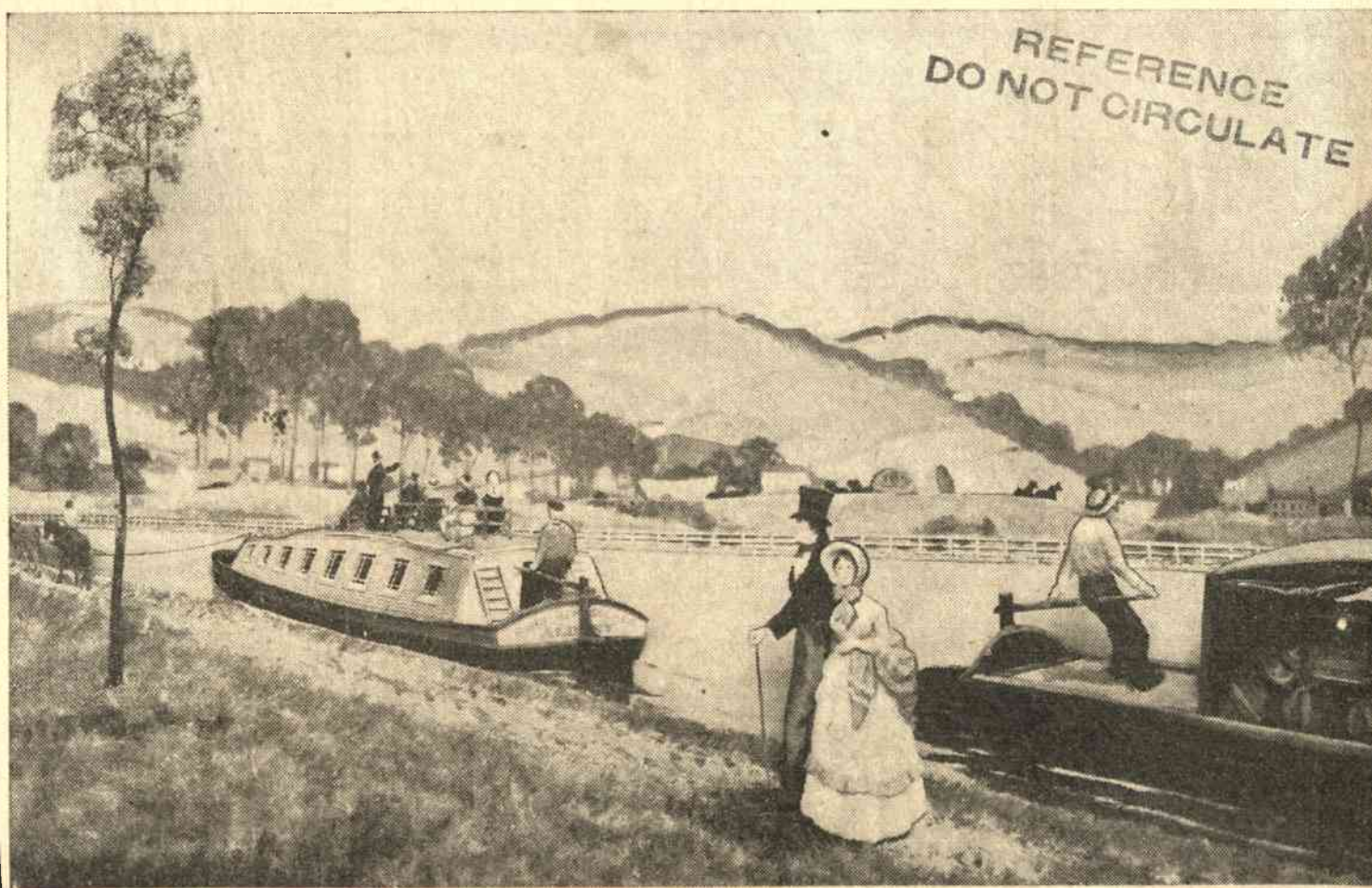
## Sites Studied As Parks.

Conservationists are viewing the sites along the canal's former path as the backgrounds of colorful history which can be reshaped into local recreation grounds and lakes of unique attraction to visitors and neighboring county sightseers.

The showmanship-view of canal history may even salvage each county's old investment—with interest!

Restoration of certain of the canal's former reservoirs are being proposed, with short strips of the boat-waterway rebuilt

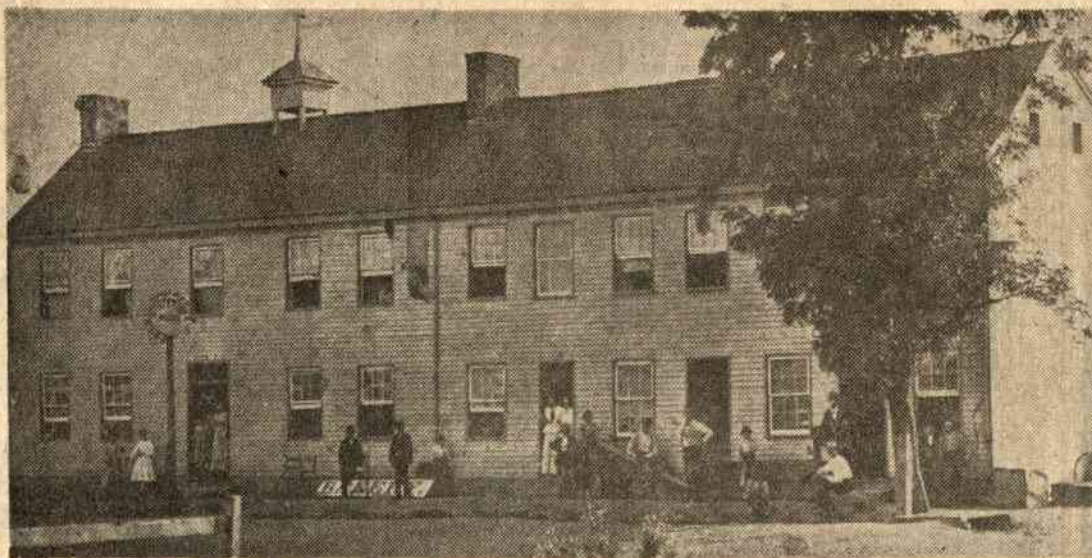
(Continued on Page 3, Column 2.)



—(Courtesy U. S. Bureau of Public Roads.)



## WABASH & ERIE CANAL TRAVELERS FORMERLY STOPPED AT THIS HOTEL



MONTEZUMA, Ind., July 22.—(Special)—Shown above is a reproduction of an old tintype of a hotel building once located in Montezuma. This hotel, known at various times as the Commercial Hotel, Souder House and Montezuma House, is believed to have been built during the period when the Wabash & Erie Canal was in operation about a century ago.

### Pioneer Hostelry Served Patrons Who Traveled Former Wabash & Erie Canal

By Max Harvey.

MONTEZUMA, Ind., July 22.—An old adage commonly attributed to the Chinese to the effect that "one picture is worth a thousand words" was most applicable to the accompanying one.

This picture, found among the personal effects of William Sylvester, recently deceased, depicts the old Commercial Hotel, a well-known Montezuma hostelry, which thrived during the latter part of the nineteenth century and then, falling prey to twentieth century progress, was torn down in 1902 to make way for a modern brick building which now houses the King Hotel.

The picture shown, however, is a copy of a tintype which was made probably during the 90's. The tintype is a negative print, and consequently the subject matter appears in reverse to the eye. When photographed, the camera reproduced the picture as it appears in today's Tribune-Star and as the hotel building appeared to the observer in the years long past.

When shown the photograph, a number of local residents who have

lived all or most of their lives here described the building as the Brady Hotel, an inn which was located near the towpath of the Wabash & Erie Canal and stood in the northern part of Montezuma. On reflection, though, these old-timers changed their minds and agreed with others who had claimed from the beginning that the building was the Commercial Hotel.

#### Memories Recalled.

A number of interesting facts and anecdotes were recalled to the memories of these people when they were shown the picture of the old hotel building. At one time a porch ran along the entire front of the hotel, a porch with wide board flooring and almost equally wide cracks between the boards. Here the travelers would sit, swapping comments, while they waited for the next canal boat or train. At last the management of the hotel decided to do away with the porch, perhaps because it attracted too many of the town's idlers or perhaps to improve the general appearance of the building. At any rate, down came the porch. Among those employed to

do the job was Asher Stribling, then a young man of about 17 years.

While engaged on the task of wrecking the porch, Asher found two gold pieces, one worth \$2.50 and the other \$5. Other workmen found silver dollars and smaller coins aggregating about \$20 in value. At the wage rate then prevailing, Asher recalled that it was fifty cents a day, the workmen found several days' wages which, through the years, had fallen from the pockets of the porch sitters and rolled through the cracks of the floor.

Some youngster had missed a golden opportunity to amass for himself a fortune through the use of ingenuity, a long stick and a tenacious substance such as chewing gum.

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Community Affairs File

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# When Terre Haute Was Young; Memories of the Erie Canal

## SOME CITIZENS STILL LIVING WHO REMEMBER THE CANAL LOCKS AND WAREHOUSES IN TERRE HAUTE.

5-8-1932

By A. R. Markle.  
LIX.

### THE CANAL.

WHILE the three per cent fund was largely used for the building of roads, it was primarily intended to be used for internal improvements of any nature and the crying need for roads caused the greater part of the money derived from the sale of the public lands to be used for that purpose first.

The success of the Erie canal across New York, the growing need for an outside market for the products of an agricultural community and the great wave of speculation that swept the country soon after the close of the war of 1812, all brought about a popular demand for a system of canals which were to be built by the state and operated for her benefit.

While the first venture along the line of a canal was a private one in the Whitewater valley it did practically nothing but make the survey from Fort Wayne to the Ohio river.

A delegate from Indiana in 1826 asked for a grant of land for the purpose of building a system of canals but was not successful although in the following year congress gave to the state for that purpose each alternate section for five miles on each side of a canal to be built between the navigable waters of the Maumee and the Wabash and the Indiana legislature accepted the grant at the insistence of the northeastern part of the state. Financially crippled by the high cost of transportation which hit them doubly hard, they were obliged to pay high prices for all that they bought and received little for what they sold.

### Opposition To Canal.

Great opposition to a canal in the northern part of the state came from the southern sections who could see no benefit to themselves in such a project and others who desired a canal of their own.

Much sentiment had developed toward the building of railroads instead of canals and the overwhelming argument in favor of the canal was that it needed only stone and timber while the railroad required rails and rolling stock that must be bought in the east and the home market would provide for the needs of the canal.

That the state had no funds for the purpose made no difference to its advocates, Ohio was building canals and New York had built hers while the papers of the day had but little else to tell than the remarkable financial success of those ventures.

That the entire receipts from taxes in Indiana in the previous year had been but \$33,000 meant little to those who had to do with the spending of the state's money and the acceptance of the grant and the promise to build the canal were immediate.

In 1832 the work was begun and an estimate of the total cost fixed at \$1,081,970 which was to be realized from the sale of the canal lands. The previous year had seen the sale of 42,000 acres from which there was realized \$75,000 and this sum with the future proceeds of further sales was placed in the hands of three commissioners who were also authorized to borrow \$200,000.

Gound was broken at Fort Wayne in Feb., 1832, and by the close of the year 20 miles were under way and the board had \$104,673 on hand although they seemed to consider the money as a personal trust and had loaned much of it to their friends. \$9,100 had gone to friends of Sullivan, \$8,600 to those of McCarty and William C. Linton of Terre Haute and let his friends have \$7,753 while the balance was on deposit with the Merchants bank in New York.

A sale of \$100,000 in bonds to J. D. Beers & Co. on a bid of "one one-hundredth of one per cent over any other bid" had realized a premium but as the terms were one-half on credit the bid of 113.26 per cent meant little to the fund.

One hundred and seventeen thousand dollars had been spent on the first 38 contracts, each covering about a half mile and Ohio had started work on her end of the project while the following year saw even greater progress.

In 1836 Governor Noble signed the mammoth internal improvement bill appropriating \$13,000,000 for a system of canals which included the Central from Peru to Evansville by way of Indianapolis and the extension of the Wabash and Erie to Terre Haute and thence by Eel river to meet the Central or by another route at the judgment of the commissioners.

The fund commissioners were directed to borrow \$10,000,000 on 25-year six per cent bonds and six men from different parts of the state were to carry on the work in their respective districts.

The Cross Cut canal from Terre Haute to Point Commerce was under Thomas H. Blake of Terre Haute and the engineer was William J. Ball of the same locality.

The commissioners issued \$3,000,000 in bonds which were sold on such liberal terms of credit that not a cent was actually received by the state and these bonds in the hands of the bankers and bond houses finally led to the crowning scandal in the history of Indiana.

Costs greatly in excess of the estimates began to tell on the success of the project, increased expenses of maintenance and repairs as the wooden bridges and aqueducts rotted away and failure to realize expected revenues from tolls led to final stopping of the work in 1839.

The Rothschilds demanded their interest and contractors their pay; the legislature issued \$1,200,000.00 for the latter, but stood aghast at the debt of \$13,000,000.00 which had been incurred.

### Settlement On the Bonds.

Fifteen million dollars in bonds had realized \$8,593,000.00 in cash and \$4,000,000.00 in worthless securities and the balance had been embezzled by state officers and agents.

Holders of the bonds finally employed Charles Butler, an attorney of New York, to negotiate some settlement of the debt and he came to Indiana in 1845, speaking at Terre Haute in May in favor of a proposal that the delinquent interest be divided in two parts, one to be paid by the state and the other from the revenues of the canal.

In December he opened an office at Indianapolis and held a series of conferences with the governor and the legislature, the bonded indebtedness by that time amounting to \$11,090,000.00 and the interest in arrears to \$4,053,000.00, for which a tax of 30 cents on the valuation of \$120,000,000.00 and a tax of 75 cents on the 115,000 polls would realize enough to care for the annual interest of \$556,000.00.

He proposed that the state issue certificates payable in 1851 or if then unable to pay to substitute 5 per cent stocks for the certificates and to pay 3 per cent interest until 1851. Any arrears in 1851 were to

be funded at 5 per cent and after 1851 the state to pay 3 per cent by tax and 2 per cent from the revenues of the canal.

The legislature refused this proposal, but in January accepted certain of his offers and he left for Europe to confer with the bondholders over the modification from the original plan.

Under this act the state would have finished the canal to Evansville and the revenues were expected to provide sufficient to carry out the agreement but the receipts in 1844 from rents and tolls were but \$58,212.00 while the expenses were \$94,473 leaving the deficit to be met from the \$85,855 received from the sales of land.

In 1845 the tolls were \$95,473, land sales \$108,943 and the expenses \$106,344 and under a new act in 1847, the governor and superintendent turned the canal over to the trustees, Charles Butler, president; N. B. Palmer and Thomas H. Blake.

In the following year, 1848, the canal was complete and in operation from Coal Creek in Fountain county to the state line, 189 miles and 96 miles were under construction with 1,780 men at work. \$342,000 was spent on construction, tolls

amounted to \$146,148 with repairs amounting to \$35,000.

A. M. Puett had replaced Palmer as a trustee and the following year the canal was open from Lodi to the Ohio line with work nearly finished to Terre Haute when cholera broke out along the line, striking heaviest at Toledo and Lafayette, but killing Commissioner Blake at Cincinnati on his return from Washington. Tolls dropped \$11,000 from the previous year and the work was demoralized along its whole length.

### Cholera Epidemic.

The following year was the most prosperous in the existence of the project above Terre Haute but cholera again broke out, killing 150 men in the season. Navigation had opened March 18 and did not close until Dec. 8, boats reaching Point Commerce in June, 352 miles from Toledo.

Another 1,200 men were at work in 1851, completing the work to Newberry and tolls reached \$179,000 while the next year saw it complete to Maysville, 392 miles from Toledo and in spite of a reduction of 40 per cent in tolls, the revenue reached \$193,400, some of the traf-

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Community Affairs File

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fic being 2,300,000 bushels of corn, 1,606,000 bushels of wheat and 83,000 barrels of salt.

In 1853 a poor crop reduced the revenue to \$181,207.00 and the reservoir at Birch creek was built to feed the Cross Cut canal but almost at once opposition developed to its maintenance, it being blamed for the malaria then prevalent and finally being cut by a mob, rebuilt under the protection of the militia, it was again destroyed upon their departure.

Useless without the reservoir, that section was soon abandoned and in 1856 the tolls dropped to \$113,000.00 with the repairs up to \$106,000.00.

1857 showed but \$60,000.00 tolls received for the entire canal with \$8,000.00 received south of Terre Haute and expenses on that part of it \$40,000.00.

The beginning of the end was the great flood of 1858, when Spring and Otter creeks in this county tore out the aqueducts while the Wabash destroyed 46 rods of the work at Terre Haute.

Navigation was totally suspended from June 10 to August 26 and the expenses rose to \$186,000.00 while the entire receipts from tolls and sales of land were but \$121,000.00.

The trustees closed the Terre Haute-Evansville section and in 1859 ordered all officers to quit and kept but a small force of local engineers at reduced salaries. The canal was then divided into three sections and let to persons who would keep it in order. The city of Terre Haute donated \$1,000.00 to Miller and Hedges to keep the section open from Terre Haute to Eel river but it could not be done at a profit and in 1860 all of that part south of Terre Haute was abandoned, although a short stretch in Vanderburg county operated later.

The trustees gave up in 1874 and surrendered their trust having spent \$436,345.00 for repairs and received but \$247,619.00 in tolls and in 1876 the entire canal was sold for \$96,260.00.

Bondholders had received about forty cents on the dollar when they had spent with the state \$8,259,244.00 and received from tolls and sales of land \$5,477,238.00, the latter amounting to 1,457,366 acres, twice what had been granted for schools.

A magnificent project at a cruel cost to the people of the state, ruined at last by the progress of the railroads and their unscrupulous competition of the day and tactics which in their turn seem to be threatening them today.

Little remains to mark its existence in Terre Haute, the north wall of the Vigo Bread Co. building is set on its borders, the right-of-way of the Milwaukee road below Crawford street shows its lines in the south part of the city but the bridges over it, the warehouses along its banks and the basins which once held its boats have all disappeared.

South of the city miles of the old bed are to be seen and the lock north of Riley, once known as Lockport, shows part of the great stone work while that part which ran past Old Fort Harrison is still

to be seen in front of the club house and the old towpath leading to the city is still visible.

Only one landmark still stands, the former home of the Auto club on Ohio street, built by the trustees in 1853 for their offices and into which they moved December 16, 1853, at the most prosperous time in their existence.

#### Last Warehouse Goes.

The last of the great warehouses, on the north side of Wabash, east of Ninth and One-half, was destroyed but a few years since and there remains no trace of the commerce of by gone days.

The upper and lower basins, the locks by which the boats were lowered as they arrived from the southeast and which were at Second and Chestnut, the dry docks where the boats were repaired and new ones built, the foot bridge across Chestnut and Second, the mills and warehouses at the basins, all have gone, but on the north side of Chestnut, a little west of Second, there still stands the little red house from which there came, night or day on the ringing of the lock keeper's bell, the man who tended the locks.

Whatever the cost of the old canal in money, in graft and in dishonor over its repudiated bonds and its ultimate failure, it brought gain to Terre Haute in the trade built up with our neighbors, in lower prices

for our purchasers, in better prices for our produce and in the rise in values of our lands and in the increase in our population.

So much was on the profit side of the ledger, so much was never to be lost, even if today the old canal is but a memory and another closed chapter in the history of Indiana and our town of Terre Haute.



over at all, much less seen ice more than a foot thick on its surface.

#### Competition Too Strong.

...that he could make it himself at home. The finer cloths were imported at great expense, the less expensive leaves were either obtained by barter or woven at home from yarn spun by the housewife herself.

Hides were tanned and boots made at home in many instances, harness was home made until towns with the tanner and harnessmaker came within reach but for many years the only source for fabrics and clothing was the spinning wheel and loom in almost every household. Every farm grew sheep and wool, many raised cotton in those early days of Vigo county and the woolen mills of Terre Haute have come and gone in much less than a century.

The pioneer stage on industry soon passed in our locality, with the coming of the town, manufactures shifted from the home to the mill or factory and finer materials at lower prices became more common. The household arts of spinning, weaving and dyeing were among the first to go, a little later women began to support themselves as dressmakers and milliners, some left home to teach school while their sisters busied themselves with the homely tasks of baking and churning, almost the last of the home made products of bread and butter.

The flour mill of the early days became a roller mill, making "patent flour" or went out of business due to the competition of the more modern mills with their mass production and lower costs, the paper mills outgrew the hand processes, giant looms almost automatic in their operation succeeded the small looms of the weavers who followed the home looms and the age of industry in the home passed on forever.

Among our early factories were the Jeffers woolen mill where the Union Transfer company now has its warehouse and the Ellis mill on South First street, where the clack of the loom and the hurry of the "jenney" has ceased forever.

The old candle factory was largely an outcome of the "pork factories" along the river bank, where in a single season more than a hundred thousand hogs were turned into hams and bacon for shipment down the river. Pork packing in those days was a seasonal operation owing to the lack of modern artificial refrigeration and depending as they did on cold weather for their working season and natural ice from the river for the short time holdover of the product.

Huge ice houses lined the banks and it was nothing unusual for ice a foot thick to be cut for several months in the winter. We are told that the climate has not changed, that our winters are no different from those of the earlier days, but many of us know that the ice froze at much higher temperatures when we had the Wabash for a skating rink for months at a time and our boys of today have in many instances never seen it frozen

Gone, too, is the old furniture factory of Samuel K. Allen on South Second street, the old tan yard so fragrant of odor and the rope walk where the man and boy turned the hemp and flax into rope and cordage. These were the first of the industries to be created from the tasks of home and the first to give way in turn to the might of the still larger factories with improved machines.

Other industries there were in those early days which only dire necessity compelled man to make as home products, among them, cast and wrought iron, steel, copper and tinware.

Outside the present limits of the county, west of Clinton as it now lies, but then within Vigo county, was the old Indiana furnace a sizable industry in its day, where from a native ore found in its neighborhood, the first iron was made in its old forge. With ample supply of ore and charcoal to be had, low labor costs and a nearby market for a splendid quality, the old furnace flourished for a time, then went the way of all things when transportation costs lowered both on the raw material and finished product and today a small mound of slag and a clearing in the woods mark the place where once it had its home.

With the coming of the railroad and the opening of the coal fields the old blast furnace on the bank of the

canal at Washington avenue became a prominent industry until it, too, succumbed in the nineties. North of it in its later days was the south rolling mill and the nail works and a little further north on the railroad was the old glass factory, another memory of early day industrial history.

In the seventies and eighties there grew up along the canal across the present course of Ohio and Walnut the old car shops and foundry, across Wabash avenue from it and beyond the old warehouse of canal days, was the stone yard where one could get quite a thrill from the orderly array of tombstones, complete but for the inscription that each might fancy contained his own name and a date to be expected only too soon.

Among the early industries producing a ware seldom made at home, were the potteries, the last of which passed away forty years ago at Nineteenth and Wabash, then the eastern limits of the city, bounded by the "corporation ditch," now but an alley north from Wabash to Locust, but then a definite point marking the beginnings of the "country." A little east of it about where Twenty-second street is located stood for many years the famous, "Last Chance" with its pithy motto, "Lager Bier Sold Here."

#### Some Popular Places.

The beverage so modestly advertised was to be had at several other establishments such as the Pig and

Whistle at the northeast corner of Ninth and Wabash, the Atlantic Garden on Wabash west of Seventh or almost anywhere you happened to be, but the places of manufacture were amazingly fewer in number than in these days of "mass production" and we might add "mass consumption."

One of these was the old Bergholtz brewery on North Seventh street between Linton (now Sycamore) street and the canal, where in the fifties a plant that would be considered extensive even in these days, turned out a famous brew. Later this was known as Imberry's and a succeeding owner, having, it is said, acquired "religion," closed it down and dismantled it for the good of his soul. It is said that at times signs of renewed activity are visible in the way of gigantic rats that are said to emerge from the ancient vaults far below the street level.

Another industry of the same kind flourished on Ohio street near First, where Easter's brewery was succeeded by the vinegar factory of early days. On the bank of the "basin" of the old canal stood Balize's mill, its location in later days surrounded by sawmills and huge piles of sawdust, on the yielding surface of which it is said a large percentage of the circus acrobats of the country learned to fall, turn backflips and double rolls.

With the going of the canal went the boatyard and the dry dock where

repairs were made on the canal boats, north of Chestnut and west of Third, to the rear of the old hominy mill.

The latter industry took a new lease on life in the eighties, flourished mightily and passed on to its reward thirty years later.

The old Phoenix foundry on North Ninth street became the Prox Manufacturing company and was removed years ago to South First street and the Springer plant on North Tenth street is the only remnant of the one time active stove foundry trade of Terre Haute, the principal firm of which held forth at Sixth and the canal.

The early days of the tin peddler of the countryside provided the country housewife with almost her only outside contact with a shrewd merchant who must not only know his own merchandise and be able to sell it, but likewise know the market for the farm products he took in exchange, for the woman of that far-off day wrote no checks and paid no bills, her marketing often being confined to the tin peddler's wagon, which by the way, carried "Yankee notions" as well as tinware. The latter stock he may have bought at Smith's tin shop on Wabash west of Second, the notions at Robinson's "notion house," where "Yankee" Robinson was prepared to sell anything from a pin or needle to a washboller.

#### The Wagon Makers.

Wagon and buggy makers did quite a business, literally from the ground



up, making practically every part of a vehicle until the opening of the old "hub and spoke" factory far out in the country over 60 years ago. Even then it was quite a task to make a wheel until the factory took to assembling the entire wheel as well as selling the separate parts. Later they made entire buggies and at the height of their ambition undertook to manufacture the "frankenstein" that cost the life of the industry, the automobile of early days, early as one counts its days.

Unsuccessful though the venture was, it was the beginning of the end for the wheel business, although at the closing of the plant, the larger part of the product was going into the new industry that marked the end of the old.

ALCO COUNTY HISTORICAL SOCIETY



# THE PORT OF ST. JOHNSVILLE

## RECOLLECTIONS OF THE DAYS WHEN THE CANAL WAS A SHIPPING FACTOR

Canal Tolls at This Point Show Activity of Shippers. St. Johnsville Shipped Wood Products and Plenty of Whiskey.

We of the older generation can recall the slow moving boats of the old Erie Canal drawn by patient and long suffering mules, or by sorrowful looking galled and jaded old horses. In memory we can see an occasional tow of boats following lazily after an old time tug, and, perchance, call to mind a raft of logs on its way to tide-water. But it is not probable that the oldest of us can remember when St. Johnsville was an important part on the old Erie canal, and the younger generation may not be aware that such was ever the fact. However, many years ago, St. Johnsville was an important center for water borne commerce. Locally manufactured commodities and raw materials were carried to the outer world and there was an overflow of trade items for home consumption, and of raw materials for our manufacturers. Furthermore, it may not be generally known that we had in our midst, for several years a boat building industry that augmented the flotilla of craft that carried this inland trade.

As bearing on the canal trade of the older day, an official document found among the papers of the late Azel Hough (1796-1856) may be of interest as reflecting the volume of local shipping and the revenues accruing to the State of New York in the matter of tolls. Just a word about Mr. Hough. While residing at Rockwood, N. Y. he was Member of Assembly (1834) for the district comprising Montgomery and Hamilton counties. When Fulton county was created out of Montgomery county (1838) Mr. Hough removed to St. Johnsville and became one of our pioneer business men. For some years Mr. Hough was engaged in the general merchandise business in "The Old Stone Store" located at the corner of East Main street and Kingsbury avenue. The old store was built by James Averell & Sons in 1831.

Mr. Hough was also our local miller and was the builder of the grist mill (1849) now operated under the firm name of Adam Horn & Sons, the property passing to Adam Horn in 1864. In addition to his business interests Mr. Hough was for some years one of the trustees of our village school and also served the community as a justice of the peace. Mr. Hough was a truly interested in shipping by

the old document reads as follows.  
Collector's Office, Fultonville, Dec. 28, 1845.

This is to certify that on careful examination of the books or this (office), I find that one hundred and twenty six boats have been cleared from St. Johnsville during the past season and that the amount of toll received on the same amounts to \$1772.24.

(Signed) JAMES S. KING,

1st Clerk, Collector absent.

Th outgoing wares besides the item of staves consisted quite largely, no doubt, of distilled spirits shipped in the early day by James Averell & Sons (established 1825) and later by Horatio and Lewis Averell until 1854, the year in which Lewis Averell died, and, for some years subsequently, by successor firms. As the Averells operated a large tannery leather was quite probably another important item shipped by canal. It is said that the Averells and successor firms operated their own boats on the canal.

The distillery operated by the Averells and successor firms was a large stone building located in the rear of what is now the residence property of Mr. George Herning, just across the creek. Later this building was used as a paper mill by the late DeWitt C. Cox, and razed several years ago. The tannery was located on the site now occupied by the Palatine Dye Company. Great quantities of hemlock bark used in the tanning process found a ready market and farmers and woodsmen north of the village made delivery of bark an important part of their business routine, especially in the winter. As late as fifty years ago considerable quantities of ground bark discarded as refuse

could be seen on the old tannery property.

Incident to the distilling business, to utilize the by-product of the used grains in the form of mash, large numbers of cattle and hogs were fattened for market by the Averells and their successors. The sheds and barns housing the live stock were in the vicinity of the old distillery and the old tannery and the crumbling walls of several of these old buildings were in evidence as late as fifty years ago. As raw material for the distillery and as supplementary feed for the live stock, boat loads of grain were received by canal and unloaded at the elevator of D. C. & J. Cox which was located on the south bank of the old canal just west of the roadway which is now the West Shore railroad crossing. Later this business was carried on by J. Cox & Sons which firm was in business as late as 1870, and probably at still a later date. That this firm was actively engaged in shipping and receiving goods by canal is shown by their bill heads which show them to have been "Forwarding & Shipping Merchants" and "Dealers in Groceries, Provisions, Flour, Grain, Feed, Salt Coal &c." About 50 years ago the late Daniel J. Storm conducted a coal yard at this point and received coal by boat.

drawn to the canal by woodmen who operated on the northern hills there

last merchant engaged in business at the old elevator stand. Several years ago the old building burned to the ground and nothing is now left to mark the spot except the crumbling foundation walls.

In 1887 the late Levi Perry, operator of a fleet of boats on the canal, and a practical boat builder, began building canal boats on the south bank of the old canal just east of the roadway building and launching one boat a year for several years. These boats were 97 feet long, 17 feet wide and 8 feet deep, inside measurements, and varied in value from \$1900 to \$2400. The boats in order of construction were the 'Daniel N. Place,' the 'James E. Place' and the 'James H. Sanders.' A fourth and smaller boat, the 'Nellie Ray' was the last to be built. This was used in transporting a merry go round in which Levi Perry was interested as part owner. In addition to the name of the boat, 'St. Johnsville, N. Y.' was painted on the stern of each boat to show the home port.

In the last few years of active canal shipping, the cargoes were confined entirely to cord wood. The shipments were consigned to manufacturers of brick along the Hudson river for use in firing the kilns in the 'burning' process. Mr. DeWitt C. Leek, general merchant of Lassellsville, handled large quantities of wood, as did Allter Brothers and A. Horn & Sons of this village. A boat would hold 100 cords of four foot wood below the deck, and a considerable quantity piled above the deck line.

The old Erie canal, now abandoned through this section and superseded by the Barge Canal, was undertaken only after a bitter political fight that raged for some years until DeWitt Clinton and his followers finally convinced the electorate of the utility and the far reaching implications of the proposed venture. Work on the old canal was started in 1817 and the first boats from Buffalo to New York passed through the canal in the fall of 1825. Governor DeWitt Clinton and a party of distinguished citizens were aboard the "Seneca Chief," one of the boats in the first fleet to navigate the entire length of the canal, and on this gala occasion carried two barrels of water from Lake Erie which Governor Clinton emptied into the ocean at New York City, in this formal ceremony of the "Marriage of the Waters." It is a matter of history that the old Erie Canal had a wonderful influence on the development of the interior of New York State, and contributed largely to the growth of the states beyond, then rapidly filling with settlers in quest of cheap lands and new homes. Derisively called "Clinton's Ditch" by the opponents of the canal, it was due to prove all that its proponents had dared to hope and the high esteem in which Governor Clinton was held as a constructive leader is attested by the fact that DeWitt Clinton as a Christian name has been given to citizens of this state for more than a hundred years.

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originally constructed. The canal was 40 feet wide and 4 feet deep. To handle ever increasing traffic, the canal was deepened to 7 feet in 1862.

The old canal, from the time the proposition was first debated in the early 1800's until the present day, has been more or less "in politics." In the early days, the sentiment for the canal was confined principally to the so-called "canal counties," the counties along the proposed route and along the Hudson river. The northern and southern counties of the state were decidedly "against" the idea and at the present time 80 per cent of the 'canal vote' is counted in these same

counties, with Buffalo and New York city furnishing big majorities.

Planned as a self-liquidating project, the tolls collected up to 1882, paid the original cost of construction, expense of enlargements, maintenance and operation and showed a profit of forty two million dollars. In that year tolls were abolished after much agitation by the "free canal" advocates. Of course there was much sentiment in both parties for the "free canal" but there was also much opposition, particularly in the non-canal counties and among the farming population. The cities along the route of the canal, of course, favored the idea. To win, it was necessary to "do something for the farmer" and to win his support it was necessary to convince him that he was being "robbed" by the railroads and that his only salvation was to vote for the "free canal." In those days sale in barrels used butter making and by local cheese factories of which there were many was an item of considerable importance in trade, and this was one of the items on which the railroads were alleged to be "robbing" the farmer by their freight rates. Salt in those days sold for approximately a dollar a barrel. Well, the propaganda "worked" and we got the "free canal."

Somewhere in the 1890's an appropriation of \$9,000,000 was voted to "improve" the canal. A large part of this was spent in building walls of masonry, repairs and enlargement of locks, and in rip-rapping the northern bank with stone. The expenditure was found to be futile as far as any real improvement of navigation facilities was concerned and in view of this futility styled by opponents as the "nine million steal." Then came the agitation for the Barge Canal. The appropriation, \$101,000,000 was voted in 1903 and construction was begun in 1905 and the work completed and the enlarged canal opened in 1918, with a depth of 12 feet.

The building of the Barge Canal was not a partisan measure but to quiet the objections of the farmers it was again necessary to show that the farmer was being "robbed" by the railroads and that the only hope of reduced rates was an enlarged waterway and there was plenty propaganda to that end. In the cities of Buffalo and New York there were daily speeches at the noon hour from the tail end of drays to convince the citizens that the continued commercial supremacy of those two ports depended in a large degree on the proposed canal enlargement, and, incidentally, food staples would be reduced in cost to the workers.

Well, we have had the Barge Canal for the past 18 years but the volume of traffic anticipated has never been realized, but there is a continued upward trend and during the past season (1935) more than 4,000,000 tons were moved by canal. As part of the equipment, the State of New York own a grain elevator at Oswego with capacity of 1,000,000 bushels and another at Gowanus Bay, Brooklyn, with capacity of 2,000,000 bushels. The elevator on the New York end is for handling grain received by canal for the export market.

As the years have passed, the cost of repair, upkeep and operation has developed into a large figure that has to be met by direct tax on the people. The expense runs around \$10,000,000 annually and in casting about for new bases of taxation to help pay the high cost of state government attention is again directed to the possibility and advisability of reimposing tolls on the canal traffic. If only enough toll were exacted to pay the operating expenses, or a sizable portion thereof a worthwhile and welcome relief would be afforded. It is said that at the present time, the bulk of the traffic is strictly interstate and that this traffic amounts to a full 90 per cent of the total tonnage.

In other words, New York State is providing a free canal for moving commodities originating beyond the borders of the state and for ultimate delivery to points without the state. There is considerable tonnage moved by automobile manufacturing interests and by oil companies but if the attractive freight rates afforded by a free canal have any appreciable influence on the price of automobiles or gasoline to the consumer, it's a question whether anyone is aware of the fact in this locality.

Our representatives in the legislature, Senator Walter N. Stokes of Cooperstown and Assemblyman L. J. Shaver of Canajoharie have been working for several years looking to the submission of a constitutional amendment to permit a revival of the toll system for the canals but without success so far. This bill is being presented to the legislature again at this session and in view of the fact that the state Grange in its recent session at Oneonta went on record as favoring moderate tolls on the canal, there may be some prospect of getting the matter before the people for a vote. Of course, the matter as it stands today, unfortunately is a partisan question. It goes without saying that if we ever do vote on his question, all in favor of reviving the tolls are at once to be dubbed the 'reactionaries' and the opponents will at once become the 'liberals.' Just where 'special interests' and 'big business' are to land in the scrimmage will depend on the individual viewpoint. In the meantime, figure it out for yourself, in case you do not find enough of interest in the national political arena to take up your spare time.

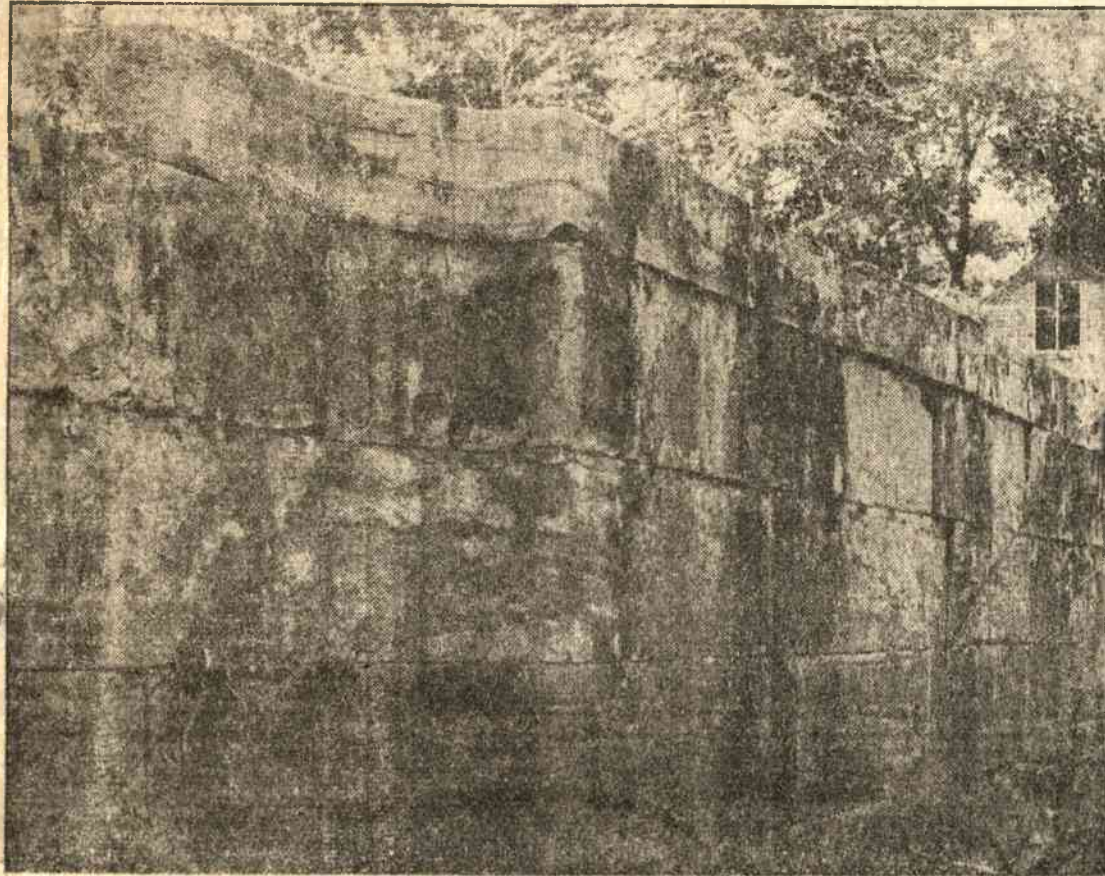
HOWARD SHAFFER.

INDIANA ROOM  
PAMPHLET FILE

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## Surviving Relic Of the Wabash and Erie Canal Is This Lock Wall Near Riley, Indiana



Remnants of what was once a lock for the Wabash and Erie Canal near Riley, Ind., nine miles south of Terre Haute.

## June, 1850, Saw Canal Boats Start Journeys From Terre Haute

By J. T. Brassie.

One reviews the early days of Terre Haute almost regretting so much of the colorful days have passed into oblivion. Much of the city's history of that era is centered about the old Erie and Wabash canal which wended a course diagonally across Terre Haute, from northwest to southeast.

As the story of yesteryear progresses it is realized that this artificial waterway, aside from being the foremost highway of commerce, communication and travel, was at the same time a source of gaiety, pleasure, romance and high adventure to the townsmen of that day. While too much cannot be conceded to the "good old days," lest we lose sight of progressiveness, it is good to call up memories of bygone days, if for no other reason than to show what stride progress has made.

Terre Haute, perhaps, owes its present status as one of Indiana's leading cities to the fact that the old watercourse brought it into direct contact with the east, where all trade originated. The canal was considered a door to the almost primitive west.

### Came The Railroads.

Today the railroad has displaced the canal packet which once glided leisurely through the city discharging its cargo of manufactured commodities and raw materials at various terminals along its path. The boat's deck was then loaded with trade items manufactured here which were bound for the outer world. In some instances, so valuable was the route, that railroads placed their right of way in the dry channel of the once flourishing trade way.

Erie and Wabash canal was born out of a move for internal improvement on the part of congress in the hope of broadening transportation facilities and bring about an economic unity with New York. Ground was first broke for the canal on February 22, 1837, and nine years later 32 miles were completed, representing a tremendous expenditure. By 1850 the entire project from Fort Wayne to Terre Haute was completed and it was a day of great rejoicing when in June of that year, the first boat, Jolus, put in its appearance on a turn just north of Fort Harrison.

### Ten-Foot Tow Paths.

Specifications for the canal called for a bed which was to be 26 feet wide in the bottom, 40 feet wide at the top water line and have at least four feet of water. An accompanying tow path 10 feet wide and a berm bank six feet wide on top was also specified in the plans.

The Erie and Wabash canal entered the city at the north and ran parallel to the Wabash river and west of the present Elks Fort Harrison club, south to Eagle street, thence northeasterly to Third and Canal streets, where it inclined due east to between Seventh and Eighth streets—the track of the Pennsylvania railroad are located on the tow path of the canal. At this point the canal curved south at an angle, following Ninth and One-half street, cutting across the property where Hulman & Co. now stands, on south—today the railroad tracks of the C. & E. I. Railroad utilize the canal route. Continuing in this direction the canal passed in the rear of St. Benedict's church, through the Terre Haute Brewing Company site and on to Washington avenue, Lockport, now Riley, thence to Evansville.

Bridges crossed the canal at the street intersections and in the shadow of these the young boys found favorite swimming holes and spent many carefree hours.

Numerous industries were established along its banks which gave the manufacturer great shipping facilities.

### Mules Motive Power.

Few reminders remain of the old canal and the greater section of its channel has been completely obliterated. What is commonly thought to be a big ditch between the river and Fort Harrison is the dry bed of the old canal. The "ditch" extends south for some distance past this point and observers get some idea of the watercourse.

A street, Canal street, from the Wabash river to North Seventh street with the intersection coming in the 600 block on North Third street, also brings to memory that there was a canal. And again more of the channel may be seen south of the city on the Riley road.

The ark type boats were propelled by three mule or horse teams from ropes and chains attached to the prow of the vessel. At various terminals along this route the animals were changed for fresh ones and the packet continued on its journey, making an approximate speed of eight miles per hour.

Evidently the canal packet was a delightful manner of travel in the fifties and accounts have it that a state of frolic existed as the boat plowed along the scenic route. People mingled with one another, enjoyed games and discussed topics of current interest.

Many of the towns to the north of Terre Haute have their being because of the canal. Warehouses and stations first sprang up and later hotels and general stores came into existence so that soon villages were developed and the population increased. People migrated from the east and settled here, having followed the canal, eager to establish commerce and trade in this vicinity.

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# I Hear the Tread of Pioneers

By John G. Biel

5 DEC 9 1955

It has often been said—and more often been proved—that the only lesson people learn from history is that “people do not learn from history.” An excellent example of this is the disastrous experience of the state of Indiana when it tried to go into the toll road, canal and railroad business—which experience seems to have entirely left the memories of men although it has been barely over 100 years ago.

Terre Haute and Vigo County were intricately involved in this experience as the Wabash and Erie Canal—which was one of the business ventures of the state and represented over 11 per cent of the total state debt at the time the bubble burst—meandered entirely across the county and through the city and furnished and stimulated employment, income and trade for this entire area.

The words of Daniel Read, a professor at Indiana University and a Jacksonian Democrat, could be recalled with benefit today when he said to the delegates of the constitutional convention in 1850, from which came Indiana's present Constitution: “If there is a single proposition settled beyond all manner of controversy, by every principle of sound reason, by experience all over the world and more especially by the experience of our American states, it is this, that government should not, in its own capacity nor by a partnership with individuals, become an agent in business operations, except so far as required for the mere purposes of government.”

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**READ'S CONCLUSION** was well founded upon sad and horrible experiences which—at that time, in 1850—were so fresh in the minds of everyone, it took no very great amount of argument to establish the truth of what he said. Today, those experiences are so dim and faded away that it may take new and fresh ones—with the same disastrous results—to again establish the truth of his conclusion.

Back as early as 1820, Hoosiers around the stoves in their stores and livery stables—and in their

newspapers—were discussing the pros and cons of railroads and canals. Indiana needed canals, railroads and roads both to provide a basis of trade and travel within the state and to connect it with the Atlantic Coast. For ten years, there was nothing but talk—even the legislators giving serious consideration to the part the state should take in such a program.

Indiana had had no experience with railroads up to this time except for a very short line at Shelbyville which used horsepower instead of steam. Finally, however, the Legislature passed a bill, approved by Governor Noble on January 27, 1836, providing for extensive internal improvements within the state. It provided Indiana—on paper—with a general network of canals, roads and railroads. The Wabash and Erie Canal—which had been started four years earlier—was to be extended from the mouth of the Tippecanoe River down the Wabash to Terre Haute. From there it was to connect with the Central Canal. This canal was projected to start between Fort Wayne and Logansport, go down by way of Muncie to Indianapolis and then down the West Fork of White River to its junction with the East Fork. The Wabash and Erie then, by way of the El River valley or by some other practical route from Terre Haute, was to connect with it near the mouth of Black Creek in Knox County. This latter route was not made mandatory but was left to the discretion of the board which was set up to see that these improvements were constructed. One million three hundred thousand dollars was appropriated for the Wabash and Erie Canal extension.

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**THE TOTAL**, appropriated by this bill, was \$10,000,000—and this at a time when the yearly income of the state were barely \$75,000 and the population less than 500,000—most of whom were self-sufficient, rural pioneers none of whom had any great wealth subject to taxation. The tax rate was only 15 cents on \$100 of property valuation plus a poll tax of 50 cents on each man subject to the tax. Very few people—at that time—looked very far into the future.

The new Board of Internal Improvements met, in Indianapolis, on March 7, 1836, and elected David H. Maxwell as its chairman.

It proceeded to let contracts for the various improvements under its control but instead of settling on one project and completing it, the board started out, piecemeal, to do a little work on all the projects.

In 1838, Governor Wallace, in his annual message to the Legislature, gave a report of the activities of this board to date. It had completed 90 miles of the Wabash and Erie Canal, 31 miles of the White River Canal, 23 miles of the Indianapolis division and 20 miles of the southern division of the Central Canal, 22 miles of the Madison and Indianapolis Railroad and 41 miles of the New Albany and Vincennes “McAdam” road. The board—in addition—had under contract 55 miles of the Wabash and Erie Canal, 24 miles of the White Water Canal, 43 miles of the Central Canal, 25 miles of the Cross Cut Canal, seven miles of the Michigan and Erie Canal, the grading of 27 miles of the Indianapolis and Lafayette road, 53 miles of the Jeffersonville and Crawfordsville road, 26 miles of the New Albany and Vincennes road and 4 miles of the Madison and Indianapolis Railroad, besides the dam and lock and all the necessary improvements to overcome the obstructions at the rapids in the Wabash River.

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**THE ACTIVITIES** of this Board of Internal Improvements meant a great deal to Terre Haute as the Wabash and Erie Canal was a great factor in the growth of this city. The canal entered Terre

Haute, from the north, a short distance east of the Wabash River but came close to the river's edge at Locust Street. It followed the river to Sycamore Street and, passing close to the edge of the old cemetery known as Old Indian Orchard, swept around a piece of high ground to enter the basin which extended from the river bank to First Street. A narrow stream across First Street connected this basin with the upper basin which extended nearly to Second Street. There was another narrow basin extending at right angles, to the north, for about a block, which provided a dock and harbor for the canal boats. From the upper basin the canal turned to the north—climbing a hill, as it

were, by means of locks near the present northwest corner of Second and Chestnut streets. The boats entered the lower lock. The water was then turned in, raising the boats about 15 feet to the upper lock.

The canal then proceeded north to Canal Street west of Second Street and then turned east to Seventh Street on what is now the New York Central Railroad right of way. It then made a curve to the south along what is now Ninth and One-half Street to Poplar Street where it angled to the southeast on its way to the town of Riley, then known as Lockport. The streets crossed the canal on bridges. The bridge at Lafayette was a very low one which swung on a pivot in the center. The bridges at the other streets—First, Chestnut, Third, Fourth, Fifth, Sixth, Seventh, Wabash and Pop-

lar—were wooden bridges high enough to allow the canal boats to pass under.

The original plan of making the terminus of the Wabash and Erie Canal at Terre Haute was soon abandoned because the Wabash River was not navigable up this far at all seasons of the year.

To finance all this great network of internal roads, railroads and canals, the market was flooded with 6 per cent bonds of the State of Indiana, most of which were sold on credit. The price of labor, provisions and materials far exceeded the estimates. The panic of 1837 came along and the Morris Canal and Banking Company, of New York, went into bankruptcy owing the State of Indiana over \$2,000,000 for bonds it had purchased on credit. Altogether, the

state lost over \$3,000,000 because of bonds sold on credit. By 1840, the state was in debt over \$13,000,000 with only partially completed improvements which were bringing in a revenue of \$31,000. The bonds dropped to 17 cents on the dollar. By 1845, no interest had been paid for five years. Land sales tumbled and the real estate boom ended. Prices slumped and the fiscal condition of the state became so desperate that no basis existed for any activities on the part of the state. The whole system collapsed.

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**THE EUROPEAN** and American holders of the bonds appointed Charles Butler, a New York attorney, as their agent to try to work out the situation. He began

his campaign in Terre Haute, in May of 1845. Whether the state should or should not repudiate its debt caused the fiercest of political and economic controversies—particularly the question was raised as to why the State of Indiana should pay interest on bonds—sold originally on credit—from which she never had received any money. In Terre Haute, “the prevailing sentiment was for the payment of state obligations and the completion of the canal.”

The whole matter was finally worked out on a compromise basis. In January of 1847, the debt of the state was divided into two equal parts. One part was assumed by the state with interest at 5 per cent and the other part was charged to the Wabash and Erie Canal which was then deeded to those of the bondholders who accepted this settlement, they, in turn, to complete the canal with federal grants and to accept it in full payment of their claims. Six years after that settlement, there were over \$1,000,000 of the bonds which had not been surrendered—and some, to this date, have never turned up.

It makes no difference what this “settlement” was called—whether repudiation, debt settlement or something else—the creditors of the State of Indiana lost very heavily. The half of the debt assumed by the state had not been paid off when the Civil War came about and added more to it.

This experience of the State of Indiana made a vivid and lasting impression on those who went through it—even if today it is nearly forgotten. The impression was so vivid that it resulted in incorporating into the 1851 Con-

stitution of Indiana the severe restrictions on state debt which controls the Indiana Legislature even today.

INDIANA STATE  
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BARNYARD IN CANAL BED, NEAR CLINTON, IND.



OLD STONE LOCK, RILEY—One of three locks at Old Lockport.

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abash Erie Canal-bed

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INDIANA ROOM

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HOUSE IN CANAL BED, N AR CLINTON, IND.